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Nature and Scope of Extension Fruit and Vegetable
Marketing Programs

Extension Serves a Dynamic Industry

Production of each fruit and vegetable is concentrated in well suited areas. Producers serve a nation-wide market, as those in each area compete with distant producers of that product as well as with other fruits and vegetables. Fresh, frozen, and processed vegetables compete each with the other for the favor of American consumers. Likewise, producers and marketing agencies in many parts of the country strive to expand their share of the national market and encourage greater use of their product.

During recent years many new developments in technology have affected production and marketing costs, product quality, and consumption rates. These developments have contributed to greater consumer satisfaction and improved marketing efficiency. Each new technological development affecting consumption rates and costs also affects competitive relationships among areas and firms and calls for further adjustments in production and marketing.

Also in this dynamic situation other changes directly affecting producers occur. There has been a change in the market structure to a market with fewer and larger wholesale buyers, a bypassing of some traditional market channels, increased f.o.b. purchases by large buyers directly from producers or others in producing areas, and the development of more large shipping firms to serve these buyers. There has been an increase in fruit and vegetable production in areas long distances from market, with corresponding development of transportation services.

The consuming population has become more concentrated in large urban centers. More homemakers have a second job, outside the home. These people place greater emphasis on convenience in food purchase and preparation, are buying increasing amounts of marketing services--prepackaging and various forms and amounts of prepreparation.

Merchandising is now almost entirely by self-service, predominantly in supermarkets--a development contributing importantly to greater marketing efficiency and meeting the needs and desires of consumers.

The process of technological, social, and economic change takes place at an increasing rate. Within the fruit and vegetable industry there is a constant realignment of economic forces, as many producers and marketing firms test and adopt changes in methods of production and marketing that seem likely to benefit them.

Prepared by the Fruit and Vegetable Marketing and Utilization Branch, Division of Agricultural Economics Programs, Federal Extension Service, USDA.

In such a setting both producers and handlers of fruits and vegetables, for their businesses to remain profitable, must be willing and able to make quick adjustments in their business organization and operation. The managements of some firms quickly adjust to changing situations and quickly apply the results of marketing research, while others are more reluctant to lay aside the old and adopt the new methods. The latter group particularly need the assistance of an educational agency, while all need a large volume of up-to-date information as a basis for their decisions.

Extension programs, with capable and trained agents and specialists, can be a powerful force in this dynamic situation.

In 34 States and Territories the extension services have specialists devoting at least 25 percent of their time to fruit and vegetable marketing extension. The total man-year equivalent of specialists doing this work is 53. Five States have a man-year equivalent of 3 or more, 7 States have a man-year equivalent of 2 to 2.9, 13 States from 1 to 1.9, and 9 States from 0.25 to 0.9.

Extension Works With Producers

Fruit and vegetable producers need accurate and current information to help them make marketing decisions concerning: (1) The time, place, and price at which to sell, (2) packaging and grading standards to apply, and (3) handling and storage methods to use. Extension workers provide effective assistance to producers making these decisions by summarizing and distributing current information about supply and demand conditions in local as well as distant markets, qualities and types of pack demanded, and methods of grading, packing, storing, and transporting. Extension also provides training to help farmers analyze and evaluate available information. This assistance helps producers adjust to changing conditions, obtain more favorable prices, and reduce costs of the marketing services they perform.

Extension workers also do educational work with producers with respect to other types of marketing decisions—evaluating needs for marketing services, evaluating price and regulatory program proposals, deciding on the type of market organization and facilities to be obtained, and similar decisions requiring group action.

Extension Works With Marketing Firms

An important part of fruit and vegetable marketing extension is done with marketing firms of the fruit and vegetable industry—working with wholesalers, storage operators, retailers, processors, transportation firms, and others in the marketing system—providing them with information and training for making decisions concerning the most efficient marketing practices and organization. In this, extension workers seek to help marketing firms provide those products, qualities, and services that consumers demand and to do it at low cost. This involves emphasis on quality maintenance, efficient facilities, handling methods, merchandising practices, market organization, efficiency of the price system, and general market information.

Extension specialists and agents also work with associations of producers, and associations of marketing firms and Government agencies, providing guidance

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as these groups develop their marketing programs and relying on these groups for guidance in the development of extension programs. These extension activities contribute importantly to a coordination and integration of the activities of the several organizations and agencies working to improve marketing.

Opportunities For Extension

Just as producers and marketing firms must adjust to meet changing conditions, so must Extension adjust its programs to meet the changing problems and needs of the fruit and vegetable industry. The discussion that follows points out some important opportunities for such adjustments in fruit and vegetable marketing programs.

Opportunities for Work in Terminal Markets

In each of the metropolitan markets there are numerous wholesale handlers of fruits and vegetables, including such specialized operations as tomato ripeners and repackers, potato prepeelers, frozen food distributors, and others in addition to the many more generalized produce wholesale firms. The costs of handling produce in these firms, including physical deterioration and reduction in nutritive value, are important items determining the prices producers receive and consumers pay. Also between the shipper and the terminal market deterioration occurs that is most easily observed and studied in the terminal markets and is affected by protective services requested by buyers.

There is available a considerable volume of research useful in reducing handling costs in transporting and wholesaling fresh and processed fruits and vegetables. Research to attack other problems in wholesaling and transit would be facilitated by extension personnel concentrating their attentions on efficiency in wholesale markets.

Opportunities To Assist the Processing Industry

During recent years many processors of fruits and vegetables have had difficulty in maintaining their position in an industry that has changed rapidly with many developments in technology of production and marketing. The processing industry is an important segment of agriculture, and processing firms have substantial investments in plant and equipment. The problem has many facets, some of which have received the attention of Extension for years. Probably Extension has devoted more attention to efficient production of high quality raw product than other phases of the problem. Research conducted by several States and USDA offers opportunities for increasing the efficiency of the processing operations and the marketing of the processed product. Extension programs directed toward these needs can help both processors and producers.

Opportunities To Improve Harvesting and Handling Efficiency

Considerable research has been conducted to reduce costs in harvesting, packing, and handling fruits and vegetables. It has been possible to substantially reduce physical damages and costs of labor in many firms.

Only a few extension workers concerned with fruit and vegetable marketing have helped in the application of these results and used the principles developed in improving handling in other types of firms. A number of States can improve the efficiency of marketing and improve net returns to growers by developing more work of this type.

Opportunities for Work With Retailers, Transportation Agencies, Storage Operators, and Other Marketing Firms in Producing Area

In areas where fruits and vegetables are produced there are many firms assembling, packaging, transporting, storing, and retailing fruits and vegetables. The costs of these operations affect returns received by producers. Research data point the way to numerous opportunities to improve the efficiency with which these services are performed--more adequate refrigeration in transit, more efficient handling of materials, improved temperature and humidity control in storage, and other measures. Also, retail merchandising to present the products to consumers in a manner consistent with their desires can help producers, retailers, and consumers.

Opportunities To Improve On-Farm Marketing Decisions

The nature of the marketing decisions made by farmers and of the assistance needed by them varies considerably from product to product and area to area. In some cases there are very few buyers available, the product must be sold immediately, and the buyer specifies the grading and packing methods to be used or does the grading and packing, allowing few matters for the farmer's decision. In other cases there are many alternative market channels and buyers, the product can be stored, and the farmer can use a wide range of grading and packing standards. In these cases marketing decisions are complex, and the farmer needs considerable information and assistance in economic analysis. In some States the needs for help by farmers in their marketing decisions have been well served. However, the need for help in efficient handling methods mentioned above is quite general. Also, there are a number of States where fruit and vegetable production is important, where only a small part of the time of one specialist is devoted to fruit and vegetable marketing. These workers, because of their workload, are unable to devote time to many of the rather specific questions with which farmers want help. Additional specialist personnel in some States is needed to serve farmers adequately with their marketing decisions.

Opportunities To Improve Market Facilities and Market Organization

In some producing areas and terminal markets facilities for handling fruits and vegetables are obsolete and antiquated, contributing substantially to high marketing costs. There are also areas where, as production has expanded, the development of facilities has not kept pace, and areas where as production has declined a reorganization of facilities could result in economies. Greater efficiency can be obtained in the use of many facilities by improvement in methods of handling materials and the use of equipment and labor.

Closely related to marketing facilities is the organization of the marketing system. In some areas there is an important need for the development of new marketing organization to serve an expanded production or for selling effectively to the smaller number of larger wholesale buyers characteristic of today's fruit and vegetable market. Serving this need may in some cases require changes in existing organization and facilities and, in other cases, the creation of new organization and facilities.

Opportunities for More Marketing Extension by Agents

In general, county agents have devoted only a small part of their time to marketing. This applies also to many agents working with the fruit and vegetable industry. Some of these agents are better trained in other fields than in marketing, have many immediate demands for their services in production, and have inadequate specialist assistance in marketing. County agents, intimately acquainted with the operations of producers and close to rural marketing agencies, are in an excellent position to expand marketing work. States where the production of these products is important need to maintain qualified and trained specialists who give high priority to training agents and providing the information and assistance necessary to enable them to do the job.

Greater Accomplishment Through Coordinated Programs

Problems in fruit and vegetable marketing are frequently complex. For their solution some problems require action by several producers, retailers, and intermediate handlers. These people may be hundreds of miles apart. Information from several subject-matter fields is frequently needed to solve these complex problems. Extension, with personnel trained in many fields, and working in many locations, is particularly well qualified to work toward the solution of such complex problems. The Extension Service in some States has made progress in coordinating the work of economists, horticulturists, pathologists, engineers, and other specialists to solve problems in marketing fruits and vegetables. There remain opportunities for further coordination of this type to help the fruit and vegetable industry. The development of methods of so coordinating work in several academic fields deserves priority attention.



